

THURSDAY, JANUARY 15, 1981

THIRD ORGANIZATIONAL DAY

The House met at 10:00 a.m. and was called to order by Mr. Speaker McWherter.

The proceedings were opened with prayer by Father Frank Ruff, Pastor, St. William's Catholic Church, Shelbyville, Tennessee.

Representative Phillips led the House in the Pledge of Allegiance to the Flag.

The roll call was taken with the following results:

Present 95

Representatives present were: Akard, Baker, Bell (Knox), Bell (Wilson), Bewley, Bivens, Bragg, Brewer, Buck, Burnett, Byrd, Carter, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Copeland, Covington, Crain, Davidson, Davis (Gibson), Davis (Hamilton), Davis (Pickett), DeBerry, DePriest, Dills, Disspayne, Duer, Duncan, Ellis, Ford (Cocke), Frensley, Gaia, Gill, Harrill, Henry (Blount), Henry (Roane), Hillis, Hurley, Huskey, Jared, Johnson, Kelley, Kent, Kernell, King (Washington), Lashlee, Love, Lowe, McAfee, McKinney, McNally, Miller, Montgomery, Moore, Murphy (Davidson), Murphy (Shelby), Murray, Naifeh, Owen, Percy, Phillips, Pickering, Pruitt, Rhinehart, Richardson, Robertson, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Shockley, Small, Smith, Spence, Stafford, Stallings, Starnes, Sterling, Tanner, Turner, Ussery, Wallace, Webb, Wheeler, Whitson, Withers, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter—95.

The Speaker announced that Representative Martin was excused.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to return to the House, House Joint Resolution No.

8—Relative to recess, 92nd General Assembly, amended, and concurred in by the Senate.

CLYDE W. McCULLOUGH, JR.,
Chief Clerk.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to request the return of House Joint Resolution No. 8, for further consideration.

CLYDE W. McCULLOUGH, JR.,
Chief Clerk.

On motion of Mr. Burnett, House Joint Resolution No. 8 was returned to the Senate as requested.

REPORT OF CHIEF ENGROSSING CLERK

MR. SPEAKER:

Your Chief Engrossing Clerk begs leave to report that we have transmitted to the Governor the following: House Joint Resolution No. 5; for his action.

MARILYN EVELYN HAND,
Chief Engrossing Clerk.

RESOLUTION LYING OVER

House Resolution No. 2—Relative to congratulating City of Farragut.

On motion of Mr. Owen, the resolution was adopted.

A motion to reconsider was tabled.

MEMORIAL

At the request of Mr. Withers, the House stood in a moment of silent prayer in observance of Martin Luther King's birthday.

ELECTION OF MEMBERS TO FISCAL REVIEW COMMITTEE

In accordance with Chapter 7, Title 3, Tennessee Code Annotated, authorizing the election of the Fiscal Review Committee, such election was held and the following members from the two major political parties were elected.

Mr. McKinney nominated Messrs. Kernell, DePriest, McKinney and Rhinehart of the Democratic Party.

Mr. Stafford nominated Messrs. Copeland, Bewley and Kelley of the Republican Party.

The Clerk called the roll with the following results:

For Nominees 95

Representatives voting for the nominees were: Akard, Baker, Bell (Knox), Bell (Wilson), Bewley, Bivens, Bragg, Brewer, Buck, Burnett, Byrd, Carter, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Copeland, Covington, Crain, Davidson, Davis (Gibson), Davis (Hamilton), Davis (Pickett), DeBerry, DePriest, Dills, Disspayne, Duer, Duncan, Ellis, Ford (Cocke), Frensley, Gaia, Gill, Harrill, Henry (Blount), Henry (Roane), Hillis, Hurley, Huskey, Jared, Johnson, Kelley, Kent, Kernell, King (Washington), Lashlee, Love, Lowe, McAfee, McKinney, McNally, Miller, Montgomery, Moore, Murphy (Davidson), Murphy (Shelby), Murray, Naifeh, Owen, Percy, Phillips, Pickering, Pruitt, Rhinehart, Richardson, Robertson, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Shockley, Small, Smith, Spence, Stafford, Stallings, Starnes, Sterling, Tanner, Turner, Ussery, Wallace, Webb, Wheeler, Whitson, Withers, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter—95.

Mr. Speaker McWherter declared that Messrs. Kernell, DePriest, McKinney, Rhinehart, Copeland, Bewley and Kelley were duly elected to the Fiscal Review Committee for the ensuing two years.

A motion to reconsider was tabled.

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APPOINTMENT OF STANDING COMMITTEES

Mr. Burnett announced that the Speaker had appointed the following standing committees:

AGRICULTURE COMMITTEE

Pickering, Chairman; DePriest, Vice Chairman; Davis (Gibson), Secretary; Davis (Pickett), Dills, Duer, Robinson (Washington), Stafford, Ussery and Wolfe.

COMMERCE COMMITTEE

Murray, Chairman; Tanner, Vice Chairman; Byrd, Secretary; Bivens, Copeland, Crain, Frensley, Lowe, Martin, Murphy (Shelby), Naifeh, Phillips, Rhinehart, Severance, Shirley, Small, Smith, Sterling, Webb, Wheeler and Wood.

CONSERVATION & ENVIRONMENT COMMITTEE

Hillis, Chairman; Stallings, Vice Chairman; Johnson, Secretary; Bewley, Carter, Crain, Dills, Ellis, Gill, Huskey, McAfee, McNally, Miller, Moore, Percy, Robinson (Davidson), Severance, Shockley, Turner and Wolfe.

EDUCATION COMMITTEE

Lashlee, Chairman; Work, Vice Chairman; Lowe, Secretary; Akard, Bell (Knox), Bivens, Cobb, Davis (Gibson), Davis (Hamilton), Duer, Jared, Kelley, Kent, King (Shelby), King (Washington), McNally, Owen, Pickering, Robinson (Hamilton), Shockley, Stallings, Starnes, Whitson and Wood.

FINANCE, WAYS & MEANS COMMITTEE

Bragg, Chairman; Rhinehart, Vice Chairman; Cobb, Secretary; Bewley, Brewer, Burnett, Byrd, Copeland, Davidson, Hillis, Henry (Blount), Henry (Roane), Hurley, Johnson, Love, McKinney, Murray, Owen, Robinson (Hamilton), Robinson (Washington), Smith, Small, Wallace, Webb, Wheeler, Withers, Work and Yelton.

GENERAL WELFARE COMMITTEE

Starnes, Chairman; DeBerry, Vice Chairman; Bell (Wilson), Secretary; Chiles, DePriest, Ford (Cocke), Gill, Harrill and Montgomery.

GOVERNMENT OPERATIONS COMMITTEE

Davis (Hamilton), Chairman; King (Shelby), Vice Chairman; Richardson, Secretary; Baker, Bell (Knox), Chiles, Covington, Davidson, DeBerry, Disspayne, Henry (Blount), Kernell, Moore, Scruggs, Spence and Stafford.

JUDICIARY COMMITTEE

Murphy (Shelby), Chairman; Murphy (Davidson), Vice Chairman; Turner, Secretary; Burnett, Buck, Carter, Clark (Davidson), King (Washington), Lashlee, McAfee, Robertson, Scruggs and Withers.

LABOR & CONSUMER AFFAIRS COMMITTEE

Ellis, Chairman; Spence, Vice Chairman; Clark (Davidson), Secretary; Gaia, Henry (Roane), Huskey, Kernell and Pruitt.

STATE & LOCAL GOVERNMENT COMMITTEE

Miller, Chairman; Love, Vice Chairman; Gaia, Secretary; Baker, Bell (Wilson), Clark (Sumner), Covington, Disspayne, Duncan, Ford (Cocke), Kelley, Kent, McKinney, Martin, Murphy (Davidson), Naifeh, Phillips, Pruitt, Shirley, Sterling, Tanner, Wallace and Wix.

TRANSPORTATION COMMITTEE

Robinson (Davidson), Chairman; Buck, Vice Chairman; Yelton, Secretary; Akard, Bragg, Brewer, Clark (Sumner), Davis (Pickett), Duncan, Frensley, Harrill, Hurley, Jared, Montgomery, Percy, Richardson, Robertson, Ussery, Whitson and Wix.

STATEMENT BY MR. SMALL

Mr. David Welles, Chief Clerk
House of Representatives
State Capitol
Nashville, Tennessee

Dear Mr. Welles,

It was necessary for me to be absent from the house chamber during the vote on the State Constitutional officers on Wednesday, January 14, 1981.

It was my intention to vote for:

Secretary of State—Gentry Crowell
State Comptroller—William R. Snodgrass
State Treasurer—Harlan Mathews

Please correct the journal and/or any other appropriate records to reflect my affirmative vote for these three gentlemen.

Yours very truly,

Neal Small

NS:ao

cc: Gentry Crowell
William R. Snodgrass
Harlan Mathews

SECOND ROLL CALL

The roll call was taken with the following results:

Present 96

Representatives present were: Akard, Baker, Bell (Knox), Bell (Wilson), Bewley, Bivens, Bragg, Brewer, Buck, Burnett, Byrd, Carter, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Copeland, Covington, Crain, Davidson, Davis (Gibson), Davis (Hamilton), Davis (Pickett), DeBerry, DePriest, Dills, Disspayne, Duer, Duncan, Ellis, Ford (Cocke), Frensley, Gaia, Gill, Harrill, Henry (Blount), Henry (Roane), Hillis, Hurley, Huskey, Jared, Johnson, Kelley, Kent, Kernell, King (Shelby), King (Washington), Lashlee, Love, Lowe, McAfee, McKinney, McNally, Miller, Montgomery, Moore, Murphy (Davidson), Murphy (Shelby), Murray, Naifeh, Owen, Percy, Phillips, Pickering, Pruitt, Rhine-

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Phillips, Pickering, Pruitt, Rhinehart, Richardson, Robertson, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Shockley, Small, Smith, Spence, Stafford, Stallings, Starnes, Sterling, Tanner, Turner, Ussery, Wallace, Webb, Wheeler, Whitson, Withers, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter—96.

INTRODUCTION OF RESOLUTIONS

House Resolution No. 3—Relative to commending Robert Moore—By Covington.

Under the rules, House Resolution No. 3 was referred to the Committee on Calendar and Rules.

House Resolution No. 4—Relative to commending Robert Green and LaMont Woods — By Covington.

Under the rules, House Resolution No. 4 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 7 —Relative to commencement regular session, 92nd General Assembly—By Burnett.

Under the rules, House Joint Resolution No. 7 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 9 —Relative to commending Ms. Jeannette Alford —By Stafford and Duer.

Under the rules, House Resolution No. 9 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 10—Relative to naming portion of Highway 95, Lamar Alexander Parkway— By Stafford, Henry (Blount) and Huskey.

The Speaker referred House Joint Resolution No. 10 to the Committee on Transportation.

House Joint Resolution No. 11—Relative to congratulating Dr. Nathan Ford—By Martin, Sterling and Baker.

Under the rules, House Joint Resolution No. 11 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 12 —Relative to commending Wendell L. (Sonny) Hartzog, Jr.—By Bell (Knox) and Scruggs.

Under the rules, House Joint Resolution No. 12 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 13—Relative to commending Bob Beaty—By Bell (Knox) and Scruggs.

Under the rules, House Joint Resolution No. 13 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 14—Relative to congratulation Eula and Norman Binkley —By Covington.

Under the rules, House Joint Resolution No. 14 was referred to the Committee on Calendar and Rules.

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House Joint Resolution No. 15—Relative to congratulating TSU School of Engineering Technology—By Brewer.

Under the rules, House Joint Resolution No. 15 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 16—Relative to memory, General William M. Fondren—By Martin.

Under the rules, House Joint Resolution No. 16 was referred to the Committee on Calendar and Rules.

INTRODUCTION OF BILLS

House Bill No. 56—To exempt from sales tax, certain products, resource recovery facilities—By Dills.

Passed first consideration.

House Bill No. 57—To amend Section 2-1-112, Code—By Moore.

Passed first consideration.

House Bill No. 58—To allow construction of certain residences, Shelby County—By Moore.

Passed first consideration.

House Bill No. 59—To protect mobile home residence permits—By Moore.

Passed first consideration.

House Bill No. 60—To increase litigation tax, Coffee County—By Johnson.

Passed first consideration.

House Bill No. 61—To increase salary, staff or road superintendent, Claiborne County—By Robertson.

Passed first consideration.

House Bill No. 62—To require Personnel Commissioner to inform employees, certain rights—By Crain and Lashlee.

Passed first consideration.

House Bill No. 63—To increase State's share, employee insurance—By Lashlee.

Passed first consideration.

House Bill No. 64—To create Chancellorship, Knox County—By Bell (Knox) and Scruggs.

Passed first consideration.

House Bill No. 65—To increase power, arson investigators—By Bivens and Webb.

Passed first consideration.

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House Bill No. 66—To regulate state credit unions—By Davis (Hamilton), Starnes, Wood, Robinson (Hamilton) and Brewer.

Passed first consideration.

House Bill No. 67—To regulate loan procedures, credit committee—By Davis (Hamilton), Starnes, Wood, Robinson (Hamilton) and Brewer.

Passed first consideration.

House Bill No. 68—To require referendum, annexation of territories—By Scruggs, Severance, Yelton and Akard.

Passed first consideration.

House Bill No. 69—To require referendum, annexation, certain circumstances—By Scruggs, Severance, Yelton and Akard.

Passed first consideration.

House Bill No. 70—To direct erection of sign to Joelton, I-24—By Clark (Sumner).

Passed first consideration.

House Bill No. 71—To make certain provisions, awards of public contracts—By DePriest, Buck, Stafford, Murray, McKinney, Burnett, Bragg, Robinson (Davidson), Martin, Davis (Pickett) and Jared.

Passed first consideration.

House Bill No. 72—To regulate state-owned asphalt plants—By Buck, Stafford, DePriest, McKinney and Bragg.

Passed first consideration.

House Bill No. 73—To amend Section 63-1602, Code—By Buck and Webb.

Passed first consideration.

House Bill No. 74—To regulate transportation, school pupils—By Buck, Murray, Robinson (Davidson) and Bragg.

Passed first consideration.

House Bill No. 75—To make certain provisions, selection of jurors—By Buck.

Passed first consideration.

House Bill No. 76—To change boundary line, Cannon and DeKalb Counties—By Buck.

Passed first consideration.

House Bill No. 77—To make certain provisions, bail—By Buck.

Passed first consideration.

House Bill No. 78—To amend County Uniform Highway Law—By Buck.

Passed first consideration.

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House Bill No. 79—To enact Racketeer Influenced and Corrupt Organization Act—By Murphy (Shelby), Brewer, Gill, Moore, Davis (Hamilton), DeBerry, McAfee, Carter and Turner.

Passed first consideration.

House Bill No. 80—To make provisions, Goodwyn Institute Commission—By Davis (Hamilton).

Passed first consideration.

House Bill No. 81—To make certain provisions, T.B.I.—By Davis (Hamilton).

Passed first consideration.

House Bill No. 82—To provide for transfer of certain function, state government—By Davis (Hamilton).

Passed first consideration.

House Bill No. 83—To exempt certain petroleum re-refining facilities, sales tax—By Richardson.

Passed first consideration.

House Bill No. 84—To regulate campaigning, polling places—By Gaia, Kent and Crain.

Passed first consideration.

House Bill No. 85—To amend Section 2-19-116, Code—By Gaia, Kent and Crain.

Passed first consideration.

House Bill No. 86—To define and set consequences, infamous crime—By Wallace, Naifeh, Lashlee, Baker, Kelley, Stallings, Tanner, Dills, Davis (Gibson) and Crain.

Passed first consideration.

House Bill No. 87—To make provisions, pretrial diversion program—By Wallace, Davis (Gibson), Tanner, Naifeh, Kelley, Baker, Stallings, Lashlee and Dills.

Passed first consideration.

House Bill No. 88—To make provisions, Watkins Institute Commission—By Davis (Hamilton).

Passed first consideration.

House Bill No. 89—To revise and reenact Title 8, Code—By Burnett, Murphy (Shelby) and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 90—To revise and reenact Titles 54 and 55, Code—By Burnett, Murphy (Shelby) and Mr. Speaker McWherter.

Passed first consideration.

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House Bill No. 91—To revise and reenact Titles 24 through 28, Code—By Burnett, Murphy (Shelby) and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 92—To revise and reenact Titles 42 through 46, Code—By Burnett, Murphy (Shelby) and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 93—To revise and reenact Title 56, Code—By Burnett, Murphy (Shelby) and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 94—To revise and reenact Titles 57 through 61, Code—By Burnett, Murphy (Shelby) and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 95—To revise and codify general and public statutes—By Burnett, Murphy (Shelby) and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 96—To revise and reenact Titles 16 through 23, Code—By Burnett, Murphy (Shelby) and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 97—To revise and reenact Title 29, Code—By Burnett, Murphy (Shelby) and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 98—To revise and reenact Titles 5 through 7, Code—By Burnett, Murphy (Shelby) and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 99—To amend Section 5-5-102, Code—By Scruggs.

Passed first consideration.

House Bill No. 100—To require certificates of title, certain type vehicles—By Scruggs and Smith.

Passed first consideration.

House Bill No. 101—To provide property tax exemption, certain persons—By Martin.

Passed first consideration.

House Bill No. 102—To require use of auto restraint devices, children under 4—By Bragg and Murphy (Davidson).

Passed first consideration.

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House Bill No. 103—To appropriate funds, land for Ramsey House—By Smith, Scruggs, Owen, Bell (Knox), Severance and Miller.

Passed first consideration.

HOUSE BILLS ON SECOND CONSIDERATION

House Bill No. 33—To provide for annexation by ordinance.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 34—To exempt certain types of investments from tax.

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 35—To change composition and function, board of dentistry.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 36—To regulate excise tax on certain corporations.

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 37—To increase well drilling fees.

Passed second consideration and referred to Committee on Commerce.

House Bill No. 38—to regulate severance tax, oil and gas.

Passed second consideration and referred to Committee on Commerce.

House Bill No. 39—to increase compensation, mayor and aldermen, Camden.

Passed second consideration and held without reference.

House Bill No. 40—To transfer Industrial Training Service to Department of Education.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 41—To increase awards for approved employee suggestions.

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 42—To regulate voter registration by mail.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 43—To regulate child passenger restraint systems.

Passed second consideration and referred to Committee on Transportation.

House Bill No. 44—To require guidance counselors, elementary schools.

Passed second consideration and referred to Committee on Education.

House Bill No. 45—To guarantee certain rights, athletic events.

Passed second consideration and referred to Committee on Judiciary.

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House Bill No. 46—To amend section 16-15-605, code.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 47—To make felony, coercion of state officials.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 48—To terminate interstate compact on mental health.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 49—To terminate Department of Mental Health and Mental Retardation.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 50—To abolish Board of Polygraph Examiners.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 51— To make felony, certain cross burnings.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 52—To amend Section 43-16-110, Code.

Passed second consideration and referred to Committee on Agriculture.

House Bill No. 53—To regulate sick leave.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 54—To compensate estate of employee with accrued sick leave.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 55—To make certain provisions legal holidays.

Passed second consideration and referred to Committee on State and Local Government.

MESSAGE FROM THE SENATE

MR. SPEAKER. 2: I am directed to transmit to the House, Senate Joint Resolution No.

13—Relative to congratulating Senator and Mrs. Milton Hamilton, Jr.; adopted for concurrence.

CLYDE W. McCULLOUGH, JR.,
Chief Clerk.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolutions Nos.

17—Relative to joint convention, Governor's message, budget;

18—Relative to memory, M. Watkins Ewell, Jr.; adopted for concurrence.

CLYDE W. McCULLOUGH, JR.,
Chief Clerk.

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At the request of Mr. Miller, the following report was received and spread upon the Journal:

**REPORT OF THE SELECT COMMITTEE
TO STUDY OIL AND GAS EXPLORATION**

(HR 161)

January 7, 1981

Members:

**Rep. Ted Ray Miller, Chairman
Rep. Joe L. Bewley
Rep. Bill Carter
Rep. I. V. Hillis
Rep. Rabon Johnson**

HOUSE RESOLUTION NO. 161

By Miller, Hillis

A RESOLUTION to provide for a committee to study oil drilling in Tennessee.

WHEREAS, at the present time domestic oil production is of unprecedented importance to our state and nation; and

WHEREAS, exploratory oil drilling has already been initiated in East Tennessee; and

WHEREAS, because of the geological configuration of our state and the inherent nature of the process, oil drilling is a costly undertaking and should be carried on as efficiently as possible in light of the most recent scientific information; and

WHEREAS, oil drilling tracts in Tennessee may currently be as small as ten (10) acres in size; and

WHEREAS, the citizens of Tennessee may be well served by a renewed examination of the minimum size of comparable oil drilling tracts in other states with a view toward determining whether it would be more cost-efficient to increase the minimum size of such tracts in Tennessee; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FIRST GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, That the Speaker of the House of Representatives, is requested to appoint a special committee composed of two (2) members of the House and three (3) members of the House Conservation and Environment Committee who shall be recommended by the chairman of said committee to study the spacing of oil wells and the status of oil exploration in Tennessee. The committee shall take into account geological and other factors to determine a plan to maximize oil and gas production in Tennessee.

BE IT FURTHER RESOLVED, That the committee shall have all powers authorized by Tennessee Code Annotated, Title 3, Chapter 3, and shall receive travel and expense allowances for attendance at meetings in accordance with Tennessee Code Annotated, Section 3-1-106.

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BE IT FURTHER RESOLVED, That the committee shall report its recommendations to the Ninety-Second General Assembly by February 1, 1981.

ADOPTED: March 24, 1980

NED R. McWHERTER
SPEAKER OF THE HOUSE OF REPRESENTATIVES

REPORT OF THE SELECT COMMITTEE TO STUDY OIL AND GAS EXPLORATION

House Resolution 161 of the 91st General Assembly, adopted in March 1980, called for the creation of a special committee to study the spacing of oil wells and the status of oil exploration in Tennessee. House Speaker Ned McWherter appointed Representatives Bewley, Carter, Hillis, Johnson, and Miller to the committee, and on October 8, 1980 an organizational meeting was held in the Speaker's conference room of the Legislative Plaza. Representative Ted Ray Miller was elected chairman and Representative Joe Bewley was elected vice chairman.

MR. Robert E. Hershey, state geologist and oil and gas supervisor gave a brief outline of the existing law on oil and gas. He cited inadequate staff in the department as a problem and recommended an increase in the application fee as a possible source of revenue for staff improvements.

The members of the committee agreed to hold a public hearing to hear representatives from government and industry.

A public hearing was held on November 18th and 19th in Senate Hearing Room 12 of the Legislative Plaza.

On November 18 statements were made by Mr. Bernard Fleischer, U.S. Department of Energy, Atlanta, Georgia; Mr. Harry Sprinkle, Association of Petroleum Landmen, Fort Worth, Texas; Mr. Phillip W. Brooks, Executive Director, Volunteer State Oil Committee, Nashville; Mr. Clyde Mote, Amoco Production Company; Mr. Stuart Butler, Chevron Oil Company; Mr. Jack Holtz, Tennessee Oil and Gas Association; Mr. Jack P. Jones, Associate Professor of Law, University of Tennessee, Knoxville, and K. C. Dodson, Tennessee Farm Bureau Federation.

On November 19 statements were made by Commissioner Ann Tuck, Department of Conservation; Mr. Robert Hershey, State Geologist; Mr. Sam Ramsey, State Oil and Gas Inspector; Mr. Charles Walther, Associate Director, Petroleum Tax Division, Department of Revenue; Mr. Lee Munz, Director, Tennessee Department of Energy; Mr. Elmo Lunn, Environmental Engineer, Tennessee Department of Public Health; Mr. Robert Pugh, Tennessee Wildlife Resources Agency; Mr. Kelsie Jones, Staff Attorney, Tennessee Department of Agriculture; Mr. Ed Still, Association of Petroleum Landmen; Mr. Jack Holtz, Tennessee Oil and Gas Association; and Mr. Jerry Erambert, President, Tennessee Oil and Gas Association.

Recordings of this public hearing are available at the State Archives.

The committee held its next meeting on December 9, 1980, and was taken on a tour of oil drilling operations in Scott, Morgan and Fentress Counties sponsored by the Tennessee Oil and Gas Association and the Petroleum Development Corporation.

The committee held another public hearing on January 6, 1981 in Room 31 of the Legislative Plaza. Statements were made by Mr. George Tidwell, Associate Commissioner,

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Tennessee Department of Revenue; Mr. Bob Pugh, Tennessee Wildlife Resources; Mr. Michael McGuire, Tennessee Department of Economic and Community Development; Mr. Ken Wechel, Keplinger and Associates; Commissioner Charles Howell, Department of Conservation; Mr. Ted Q. Wilson, Attorney for Citizens Gas Utility District; Mr. Jack Holtz, Tennessee Oil and Gas Association; Mr. Tom Midyett, Attorney for East Tennessee Natural Gas Company; Mr. Cecil Branstetter, Attorney; and Mr.

Ray Bernard, engineer for Citizens Gas Utility District. Recordings of the public hearing on January 6 and the work session on January 7 are available at the State Library and Archives.

The committee held a work session on January 7, and at that time made the following findings and recommendations:

- 1) That Tennessee Code Annotated, Title 60, Chapter 1, Part 3 be amended to change the liability for payment of the severance tax on natural gas and oil. A copy of this bill is attached as Appendix "A".
- 2) That the well drilling fee be increased from \$50 to \$150, it being the intent of the committee that the revenue produced be used to fund increased staff for the Oil and Gas Supervisor's Office in the Department of Conservation. A copy of this bill is attached as Appendix "B".
- 3) That the Select Committee on Oil and Gas be continued: a) in order to monitor the recommendations of the Governor's Special Task Force to Study Leasing of Mineral Rights on State Property; b) monitor the actions of the Oil and Gas Board regarding deep well spacing requirements, bond requirements and gas well recorders; c) request an opinion from the Attorney General regarding the constitutionality of Tennessee Code Annotated, Section 64-704; and d) monitor the case of Citizens Gas Utility District V. B. & W. Oil Company regarding the right of a public utility district to be granted an exclusive franchise to furnish exclusive service under Tennessee Code Annotated, Title 7, Chapter 82, Part 3.
- 4) That the Tennessee Energy Authority receive sufficient appropriations to enable the Authority to fulfill its statutory responsibilities.

Respectfully submitted,

Rep. Ted Ray Miller, Chairman

Rep. Joe L. Bewley

Rep. Bill Carter

Rep. I. V. Hillis

Rep. Rabon Johnson

APPENDIX "A"

AN ACT relative to the severance tax on oil and gas and to amend Tennessee Code Annotated, Title 60, Chapter 1, Part 3.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 60-1-301 is amended by deleting the third sentence in its entirety and by substituting instead the following:

The tax imposed by this section on natural gas shall be paid by the purchaser. The

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tax imposed by this section on oil shall be paid by the purchaser; except if the purchaser is a non-resident who is not registered to deal in petroleum in the state of Tennessee, the tax shall be paid by the owner or by the transporter removing the oil from Tennessee.

SECTION 2. Tennessee Code Annotated, Section 60-1-302 is amended by deleting the word "owner" in the first sentence and by substituting instead the words "person liable for the tax".

SECTION 3. Tennessee Code Annotated, Section 60-1-302 is further amended by inserting the words "and sold or transported" between the words "ground" and "during" in the first sentence.

SECTION 4. This act shall take effect on July 1, 1981, the public welfare requiring it.

APPENDIX "B"

AN ACT relative to the fee required prior to drilling wells and to amend Tennessee Code Annotated, Section 60-1-103.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 60-1-103, is amended by deleting the words and figures "fifty dollars (\$50.00)" in the first sentence and by substituting instead the words and figures "one hundred fifty dollars (\$150)".

SECTION 2. This act shall take effect on July 1, 1981, the public welfare requiring it.

SPONSORS ADDED

Without objection, the rules were suspended to allow the following members to add their names as sponsors to the bills as indicated below, the prime sponsor of each having agreed to such addition:

House Bill No. 1—Huskey, Smith, Akard, Robinson (Washington), Clark (Sumner), Montgomery, Yelton, Henry (Roane), Ussery, Whitson, Kent, Wood, Stafford, Carter, McNally, Shockley, King (Washington), Frensley, Buck, Severance, Kelley, Wolfe, Small, Bell (Knox), Percy, Mr. Speaker McWherter

House Bill No. 33—Smith

House Bill No. 51—Wallace

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to return to the House, House Joint Resolution No.

8—Relative to recess, 92nd General Assembly.

The Senate lifted from table motion to reconsider, reconsidered action in adopting, withdrew Amendment No. 1, then reconcurred in the resolution.

CLYDE W. McCULLOUGH, JR.,
Chief Clerk.

ENROLLED BILLS

MR. SPEAKER:

Your Chief Engrossing Clerk begs leave to report that we have carefully compared

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House Joint Resolution No. 8; and find same correctly enrolled and ready for the signatures of the Speakers.

MARILYN EVELYN HAND,
Chief Engrossing Clerk.

SIGNED

The Speaker announced that he had signed the following: House Joint Resolution No. 8.

BILLS AND RESOLUTIONS REFERRED TO COMMITTEES

The Speaker announced that the following bills and resolutions which were held pending appointment of appropriate committee had been referred to committees as follows:

House Bill No. 1—State & Local Government

House Bill No. 2—General Welfare

House Bill No. 3—Transportation

House Bill No. 4—State & Local Government

House Bill No. 5—State & Local Government

House Bill No. 6—Transportation

House Bill No. 7—Judiciary

House Bill No. 9—State & Local Government

House Bill No. 10—Transportation

House Bill No. 11—General Welfare

House Bill No. 12—Judiciary

House Bill No. 13—Judiciary

House Bill No. 14—State & Local Government

House Bill No. 16—State & Local Government

House Bill No. 17—Finance, Ways & Means

House Bill No. 18—General Welfare

House Bill No. 19—Transportation

House Bill No. 20—Transportation

House Bill No. 21—Education

House Bill No. 22—State & Local Government

House Bill No. 23—Judiciary

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House Bill No. 24—Commerce

House Bill No. 25—Agriculture

House Bill No. 26—State & Local Government

House Bill No. 27—State & Local Government

House Bill No. 28—State & Local Government

House Bill No. 30—Conservation & Environment

House Bill No. 31—Conservation & Environment

House Resolution No. 1—State & Local Government

House Joint Resolution No. 1—Calendar & Rules

House Joint Resolution No. 2—Calendar & Rules

House Joint Resolution No. 3—State & Local Government

House Joint Resolution No. 4—Calendar & Rules

House Joint Resolution No. 6—Education

Mr. Burnett moved that the rules be suspended to allow all bills pre-filed today to be introduced and passed on first consideration, and all resolutions pre-filed today to be introduced and referred to the appropriate committees, which motion prevailed.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to return to the House, House Joint Resolution No. 8; signed by the Speaker.

CLYDE W. McCULLOUGH, JR.,
Chief Clerk.

ENROLLED BILLS

MR. SPEAKER:

Your Chief Engrossing Clerk begs leave to report that we have carefully compared House Resolution No. 2; and find same correctly enrolled and ready for the signature of the Speaker.

MARILYN EVELYN HAND,
Chief Engrossing Clerk.

BY CONSENT

INTRODUCTION OF RESOLUTIONS

House Joint Resolution No. 17—Relative to honoring Mrs. Brenda Thompson Smith—
By Bewley.

Under the rules, House Joint Resolution No. 17 was referred to the Committee on Calendar and Rules.

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House Joint Resolution No. 18—Relative to expressing disagreement, Attorney General opinion, Public Prayer—By Dills, Crain, Davis (Gibson), Wood, Duncan, Tanner, Wallace, Naifeh, Lashlee and Stallings.

The Speaker referred House Joint Resolution No. 18 to the Committee on Education.

House Joint Resolution No. 19—Relative to honoring Mrs. Sharon Grant—By Starnes, Davis (Hamilton), Wood, Robinson (Hamilton) and McAfee.

Under the rules, House Joint Resolution No. 19 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 20—Relative to memory, Sue K. Hicks—By Starnes, Davis (Hamilton), Wood, Robinson (Hamilton) and McAfee.

Under the rules, House Joint Resolution No. 20 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 21—Relative to memory, Herbert F. McQueen—By Starnes, Davis (Hamilton), Wood, Robinson (Hamilton) and McAfee.

Under the rules, House Joint Resolution No. 21 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 22—Relative to memory, James W. Spencer—By Starnes, Davis (Hamilton), Wood, Robinson (Hamilton) and McAfee.

Under the rules, House Joint Resolution No. 22 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 23—Relative to memory, John L. Hutcheson, Jr.—By Starnes, Davis (Hamilton), Wood, Robinson (Hamilton) and McAfee.

Under the rules, House Joint Resolution No. 23 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 24—Relative to memory, W. D. Pettway—By Starnes, Davis (Hamilton), Wood, Robinson (Hamilton) and McAfee.

Under the rules, House Joint Resolution No. 24 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 25—Relative to commending Mrs. Katherine Ruth Smith—By Hillis.

Under the rules, House Joint Resolution No. 25 was referred to the Committee on Calendar and Rules.

House Resolution No. 5—Relative to legislation, criminal offenses—By Murphy (Shelby), Turner, Withers, Murphy (Davidson), McAfee, Carter, Scruggs and Clark (Davidson).

The Speaker referred House Resolution No. 5 to the Committee on Judiciary.

INTRODUCTION OF BILLS

House Bill No. 104—To regulate retail fur buyers—By Tanner, Stallings and Hillis.

Passed first consideration.

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House Bill No. 105—To levy lodging tax, certain counties—By Henry (Roane) and Wheeler.

Passed first consideration.

House Bill No. 106—To provide for proficiency tests, students—By McKinney and Brewer.

Passed first consideration.

House Bill No. 107—To amend Scenic Highway Act—By Scruggs.

Passed first consideration.

House Bill No. 108—To determine retirement benefits, Group III—By Wix and Clark (Sumner).

Passed first consideration.

House Bill No. 109—To register and license motor vehicles—By Wix.

Passed first consideration.

House Bill No. 110—To amend purchasing law Sumner County—By Wix.

Passed first consideration.

House Bill No. 111—To exempt certain items from sales tax—By Wix.

Passed first consideration.

House Bill No. 112—To amend Section 8-34-6 Code—By Duer.

Passed first consideration.

House Bill No. 113—To revise certain advertisement, delinquent tax lists—By Wix.

Passed first consideration.

House Bill No. 114—To provide for election of chairman, county legislative body—By Wix.

Passed first consideration.

House Bill No. 115—To increase tax refunds, gas used for agricultural purpose—By Kelley.

Passed first consideration.

House Bill No. 116—To amend Charter, Gadsden—By Wallace.

Passed first consideration.

House Bill No. 117—To make certain provisions, committees on agency rule making—By Davis (Hamilton).

Passed first consideration.

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House Bill No. 118—To change method of funding, certain student assistance—By Davis (Hamilton).

Passed first consideration.

House Bill No. 119—To create department of aging—By Davis (Hamilton).

Passed first consideration.

House Bill No. 120—To amend Title 62, Chapter 2, Code—By Davis (Hamilton).

Passed first consideration.

House Bill No. 121—To authorize attendance of district attorney before grand juries—By Kent, Johnson, Stallings, Lashlee, Hillis, Naifeh, Tanner, Wallace, Bivens, Rhinehart, Richardson, Wix, Davidson, DePriest and Owen.

Passed first consideration.

House Bill No. 122—To limit supervision fee, certain persons on probation—By Murphy (Shelby).

Passed first consideration.

House Bill No. 123—To amend Campaign Financial Disclosure Act—By Murphy (Shelby).

Passed first consideration.

House Bill No. 124—To provide standards for support allowance certain minors—By Murphy (Shelby).

Passed first consideration.

House Bill No. 125—To tax certain inheritable property—By Wallace.

Passed first consideration.

House Bill No. 126—To allow officer to make arrest at scene of accident—By Wallace, Baker, Kelley, Crain, Davis (Gibson), Lashlee, Duer, Naifeh and Dills.

Passed first consideration.

House Bill No. 127—To grant certain authority, Sullivan County purchasing agent—By Montgomery, Yelton, Akard, Hurley and Robinson (Washington).

Passed first consideration.

House Bill No. 128—To amend Section, 39-903, Code—By Yelton, Montgomery, Akard, Bivens, Whitson and Hurley.

Passed first consideration.

House Bill No. 129—To amend Section, 39-1411, Code—By Akard, Yelton, Harrill, Ford (Cocke), Montgomery, Hurley, Bewley and Whitson.

Passed first consideration.

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House Bill No. 130—To amend Sections 4-29-202 and 4-29-208, Code—By Davis (Hamilton), Henry (Blount), Bell (Wilson), Kernell and Moore.

Passed first consideration.

House Bill No. 131—To amend Sections 4-29-202 and 4-29-203, Code—By Davis (Hamilton), Henry (Blount), Richardson, Bell (Wilson), Kernell and Moore.

Passed first consideration.

House Bill No. 132—To amend Sections 4-29-202 and 4-29-208, Code—By Davis (Hamilton), Richardson, Bell (Wilson), Kernell and Moore.

Passed first consideration.

House Bill No. 133—To exempt senior citizens, certain taxes—By McNally, Rhinehart, Miller, Johnson, Chiles, Wheeler, Frensley and Work.

Passed first consideration.

House Bill No. 134—To define consequences of infamous crime—By McAfee, Murphy (Shelby), Wood, Carter and Starnes.

Passed first consideration.

House Bill No. 135—To compensate county election commission employees—By Scruggs and Severance.

Passed first consideration.

House Bill No. 136—To extend hours for sale of beer—By Dills.

Passed first consideration.

House Bill No. 137—To increase term of office of constables, certain counties—By Dills.

Passed first consideration.

House Bill No. 138—To qualify applicant of law licenses—By Starnes, Davis (Hamilton), Carter, Robinson (Hamilton) and McAfee.

Passed first consideration.

House Bill No. 139—To stipulate oaths, office of county property tax assessor—By Starnes, Davis (Hamilton), Carter, Wood, Robinson (Hamilton) and McAfee.

Passed first consideration.

House Bill No. 140—To make certain provisions, mental state institutions—By Starnes, Chiles, Ford (Cocke), Davis (Hamilton), and Harrill.

Passed first consideration.

House Bill No. 141—To waiver requirements for marriage licenses—By Starnes, Davis (Hamilton), Carter, Wood, Robinson (Hamilton) and McAfee.

Passed first consideration.

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House Bill No. 142—To amend Section 16-2-102, Code—By Starnes, Davis (Hamilton), Carter, Wood, Robinson (Hamilton) and McAfee.

Passed first consideration.

House Bill No. 143—To compensate jury commissioners, Hamilton County—By Starnes, Davis (Hamilton), Carter, Wood, Robinson (Hamilton) and McAfee.

Passed first consideration.

House Bill No. 144—To provide for sitting, Court of Appeals—By Starnes, Davis (Hamilton), Carter, Wood, Robinson (Hamilton) and McAfee.

Passed first consideration.

House Bill No. 145—To regulate buildings constructed from state funds—By Hillis.

Passed first consideration.

House Bill No. 146—To increase expense allowance, General Assembly—By Rhinehart.

Passed first consideration.

House Bill No. 147—To enact Third-party Prescription Program Act—By Rhinehart.

Passed first consideration.

House Bill No. 148—To require certain signs, retail sales establishments—By Rhinehart.

Passed first consideration.

House Bill No. 149—To make certain provisions, Pharmacists—By Rhinehart.

Passed first consideration.

House Bill No. 150—To provide administrative costs, county school systems—By Rhinehart.

Passed first consideration.

House Bill No. 151—To provide for professional leave, state employees—By Rhinehart.

Passed first consideration.

House Bill No. 152—To amend Section 8-23-204, Code—By Rhinehart.

Passed first consideration.

House Bill No. 153—To provide for promotion, salary increases—By Rhinehart.

Passed first consideration.

The Speaker announced that pursuant to House Joint Resolution No. 8, the Organizational Session of the House of Representatives of the 92nd General Assembly would stand in recess to reconvene at 6:00 p.m. on Monday, January 26, 1981 for completion of the Organizational Session.